

TECHNICAL INFORMATION MEMORANDUM (81-4)

Mar ch 9, 1981

SUBJECT: Affiliated Finance Companies - License Requirement

House Bill 28, approved February 18, 1981, (Vol. 63, Laws of Del., Chap. 2) amends Title 30, Delaware Code, by adding a new Part VI (Sections 6301, et seq) to provide for the licensing and taxation of affiliated finance companies.

An "affiliated finance company" is defined to mean a corporation substantially all of whose activity within this State is limited to the issuance of commercial paper or other debt obligations and use of the proceeds to make loans to one or more of its affiliated corporations or to purchase receivables from one or more of its affiliated corporations. An "affiliated corporation" means two or more corporations which are members of a controlled group of corporations as defined in Section 1563 of the Federal Internal Revenue Code.

Effective May 1, 1981, no corporation may carry on business in this State as an affiliated finance company unless it has first obtained from the Division of Revenue a license to conduct such business and has paid a license fee measured by its "capital base" (i.e., the total of its capital, surplus and retained earnings) determined as follows:

If	the	capital	base	is:
	LIIC	Capital		LU.

The annual license fee shall be:

\$0 to \$99, 999, 999. 99	\$10,000
\$100,000,000 to \$224,999,999.99	\$15,000
\$225,000,000 to \$749,999,999.99	\$25,000
Over \$750,000,000	\$50,000

The capital base shall be computed from the information shown on the corporations' certified financial statement for the year ending December 31 of the immediately preceding calendar year, or, in the case of a fiscal year corporation, as of the end of its fiscal year ending within the immediately preceding calendar year.

All affiliated finance companies taxed under this Part VI shall be exempt from any occupational license taxes imposed by Part III of Title 30. The license issued shall be valid for one year, but must be renewed annually and the license fee paid on or before April 30 of each year. License application forms may be obtained upon request to the Division of Revenue.

RRS/mrs

APPLICATION FOR

AFFILIATED FINANCE COMPANY
STATE OF DELAWARE

_			
	Rev.	Code	101

7,33				BUSINESS LICENSE													Та	axal	hle	Ύ	ar		_/		_/_		_ th	ru!	12/3	1		_			
	:				-			1 -						-	1	Γ	T		\overline{X}		T	T	Ī				T	1		Г					
١.	Applica	nts	Fed	eral	Em	ploy	/ers	In	den	tif	icat	ior	ı N	um	be	L							الأن					_			Suffi	ix			
	Appl	ica	nt's	s Na	ame	and	l Bı	ısi	nes	s	Loc	at	io	n:													В	/c	}	Z	0	6			
l	Name	П	T	T	T				T				٠																						
	Nm/Adr.	11		+			П		\top																	L	L	1		\perp	\bot	$oldsymbol{ol}}}}}}}}}}}}}}}}}}$			
	Address																						_	L	_	_	L	\perp	\perp	_	_	╄	ļ		
	Address						\Box																_	L	┡	╀	╀	+	+	4	+	╀	-		
	Address													Щ	Ļ						<u> </u>	<u> </u>		L_	<u> </u>	<u>.</u>			1				ļ		
	A	ddre	s Ap	plica (If s	ant de same	esire: as at	i lice oove	ense plea	info ase ir	rma ndic	atior cate	s to	be ME)	mai	lea:																		,		
	Name																						_		L	1	\downarrow	\perp	\perp	_	1	↓_	ļ		
	Nm/Adr																	L			L	_		L	L	$oldsymbol{\perp}$	\bot	_	1	\bot	4	╄-	-		
	Address													_			<u> </u>	L	L		<u> </u>	_	┡	<u> </u>	╀	╀-	\bot	+	+	+	+	+	ł		
	Address	_	Ш	_	_	\bot	igsqcup		\sqcup			<u> </u>	_	_	<u> </u>		_	-	_	_	┝	┝	┝	╀	╀	+	+	╁	+	+	╁	╁	1		
	Address						L.J	<u> </u>	Ш			L_	<u> </u>	<u> </u>	<u></u>	<u> </u>	L	_	L_	<u> </u>		<u></u>		1		<u></u>				ᆜ	<u> </u>	<u>بــــ</u>	<u>.</u>		~
D	Busi	nac	- Δ.		vite	-s (γ f f	the	Αr	1ס	ica	ant	::																						
В.		Is												991	เร่ก	9 0	ıf	CO	mme	erc	ial	L p	ap	er	or	01	the	er	det	ot					
	1.	obl	cne igai	ap tio	ns?	Jani	YES	nga S	geo			N	10			֓֟֟֟֝ <u>֟</u>	_	•				•	•												
		Daa	- - +1		ann'	lica	ant	us	e s	sub	sta	ant	:ia	113	y a	11	of	t	he	pr	oce	eed	s	fro	m	su	ch	оb	118	gat	ion	ıs			
_	·•	to	mak	e 1	oan	s to), د	or	pur	ch	ase	e r	:ec	ei	vab	1es	s f	ro	m j	Lts	af	Efi	.1i	ate	d	co	rpc	ra	tic	ons	?				
		YES	l			ИО	l	<u>,,</u>																		,	1. 1					mai	ام		
	3.	Att	ach	st	ate hic	men	t i	den	tii 51	yi Se	ing	ea re	ach	a: rcl	ffi has	lia ed.	ate	ed	COI	cpo	rai	110	n	τo	wn	ilC.	n 1	Loa	ns	we	16	шас	ıc		
		or Did																l i n	~ 1	t a w	ah.	م1	ve	ar	re	re	ive	ı i	nce	ome	fr	com			
	4.	Did	th	e a	pp⊥ e,	ica: oth	at er	in tha	in :	e : int	ımın :er	ea. est	tat Ea	nd	y i di	sco	our	ı I.II	ind	com	ie :	fro	om_	its	<u>.</u> a	ff	i 1:	Lat	ed	co	rpc	rat	101	ns,	,
		tot	ali	ng	mor	e t	han	5%	o	E i	Lts	aı	nnu	a1	ne	t:	inc	om	ıe?		YE	S				N	0	L							
		Ιf	yes	, а	tta	ch	sta	ten	nen	t d	les	cr:	ibi	.ng	tł	ie i	sot	ırc	e a	and	laı	mοι	ınt	o	Ē s	suc	h :	inc	om	e.					
	5.	Att	ach	st	ate	men	t 1	ist	in	g 1	the	n	ame	a	nd	ado	dre	ess	0	fа	ι11	рe	ers	on	5 0	r	en	tit	ie	s o	wni	Ĺng			
		sto	ck	int	ere	st	<u>in</u>	the	e a	pp.	lic	an	t a	ınd	ir	Idi ATI	cat	<u>:e</u>	pe:	rce	nt	age	2 0	f	owi	ıer	sh	ip.							
													$\stackrel{\square}{=}$	PIP	012	111	ON	- 01	<u> </u>		mii	י כד	ATA'	TTA.		т.	TON	C E	ישיט	T C	11 Δ 11 2	LL]	RE•		
_	F THE																				111	E /	INIV	UA.					PE	<u> </u>	1121	111 1			
\$	0 to \$	99,	999	,99	9.9	9	0.0		200	O.	O															\$10 \$15									
	100,000 250,000																								5	\$25	,0	00							
	ver \$7						,	- ,																	:	\$50	,0	00							-
															T	ATC	L	AMC	OUN	T I	PAI	D:					*			\$			<u> </u>		ل
T	he cap inanci	ital	. ba	se	sha	11	be	COI	mpu	te ~	d f	ro	m t ∼⊺	he	in oml	for	rma วา	ti 1 d	on of	sh the	IWO.	1 O!	n t edi	he at	со e1s	orp v t	or	atı ced	lon lin	. S	cer al	end	rre ar	ū	
		- 4-	. +1-		1000	. ∩f		fi	er a	1 .	vea	r	വ	rpo	ra	tio	n.	as	3 0	Í 1	the	e	nd	οī	-11	ts	11	sca	ıТ	yea	ır e	ena.	Tiiß	,	
w	ithin	the	imn	ed:	Late	1y	pre	ece	din	g	cal	.en	daı	rу	rea:	r.	Α	CC)PY	01	FS	UC.	H I	IN	AN	CIA	L	STA	ATE	MEI	1T 1	MUS'	ΤВ	E	
_ S	UBMITT																																	.1.0	+ 0
t	certi o the	fy t best	hat of	tl my	ne f y kr	ore	goi ed{	lng ge	in and	fo b	rma eli	ti Lef	on :	an	ıd .	att	ac	hm€	≥nt	s l	her	et	o a	ire	t	rue	2,	COI	cre	CT	ane	a c	omp	те	LE
	• .		,																												-				
		ate	-'-		-			<u> </u>					Ap	pli	Lca	nt'	s	Si	gna	tu	re						_				T	itl	e		
. P	AY TO:]	OIV	SI	ON C	F F	ŁΈVΙ	ENU	E -	P	.0.	. В	ox	23	340			W	ILM	IIN	GTC	N,	D	Ξ	19	899)								

House Bill 28, approved February 18, 1981, (Vol. 63, Laws of Del., Chap. 2) amends Title 30, Delaware Code, by adding a new Part VI (Sections 6301, et seq) to provide for the licensing and taxation of affiliated finance companies.

Effective May 1, 1981, no corporation may carry on business in the State of Delaware as an AFFILIATED FINANCE COMPANY unless it has first obtained from the Division of Revenue, a license to conduct such business and has paid a license fee measured by its "CAPITAL BASE".

An "AFFILIATED FINANCE COMPANY" is defined to mean a corporation substantially all of whose activity within this State is limited to the issuance of commercial paper or other debt obligations and use of the proceeds to make loans to one or more of its affiliated corporations or to purchase receivables from one or more of its affiliated corporations. An "Affiliated Corporation" means two or more corporations which are members of a controlled group of corporations as defined in Section 1563 of the Federal Internal Revenue Code.

All affiliated finance companies taxed under this Part VI shall be exempt from any occupational license taxes imposed by Part III of Title 30. The license issued shall be valid for one year, but must be renewed annually and the license fee paid on or before April 30 of each year. A copy of a corporation's certified Financial Statement for the year ending December 31 of the immediately preceding calendar year, or in the case of a fiscal year corporation, as of the end of its fiscal year ending within the immediately preceding calendar year, must be submitted with this application and with each annual renewal.